

By: Ellis

S.B. No. 962

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a business's electronic transmission of the sensitive  
3 personal information of its customers.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 521.052, Business & Commerce Code, as  
6 effective April 1, 2009, is amended by amending Subsection (c) and  
7 adding Subsection (d) to read as follows:

8 (c) Subsections (a) and (b) do ~~[This section does]~~ not apply  
9 to a financial institution as defined by 15 U.S.C. Section 6809.

10 (d) A business may not transfer the sensitive personal  
11 information of a customer through an electronic transmission, other  
12 than a facsimile, to a person outside of the secure computer-based  
13 information system of the business unless the business uses  
14 encryption to ensure the security of electronic transmissions of  
15 its customers' sensitive personal information. In this subsection,  
16 "encryption" means the use of an algorithmic process, or another  
17 method that is at least as secure as an algorithmic process, to  
18 convert data into a form in which meaning cannot be assigned without  
19 the use of a key or other confidential process.

20 SECTION 2. This Act takes effect September 1, 2009.